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BUDGET SPEECH

OF

The HON. C. R. MITCHELL

TREASURER OF THE PROVINCE OF ALBERTA

Delivered on the 6th March, 1917

IN THE

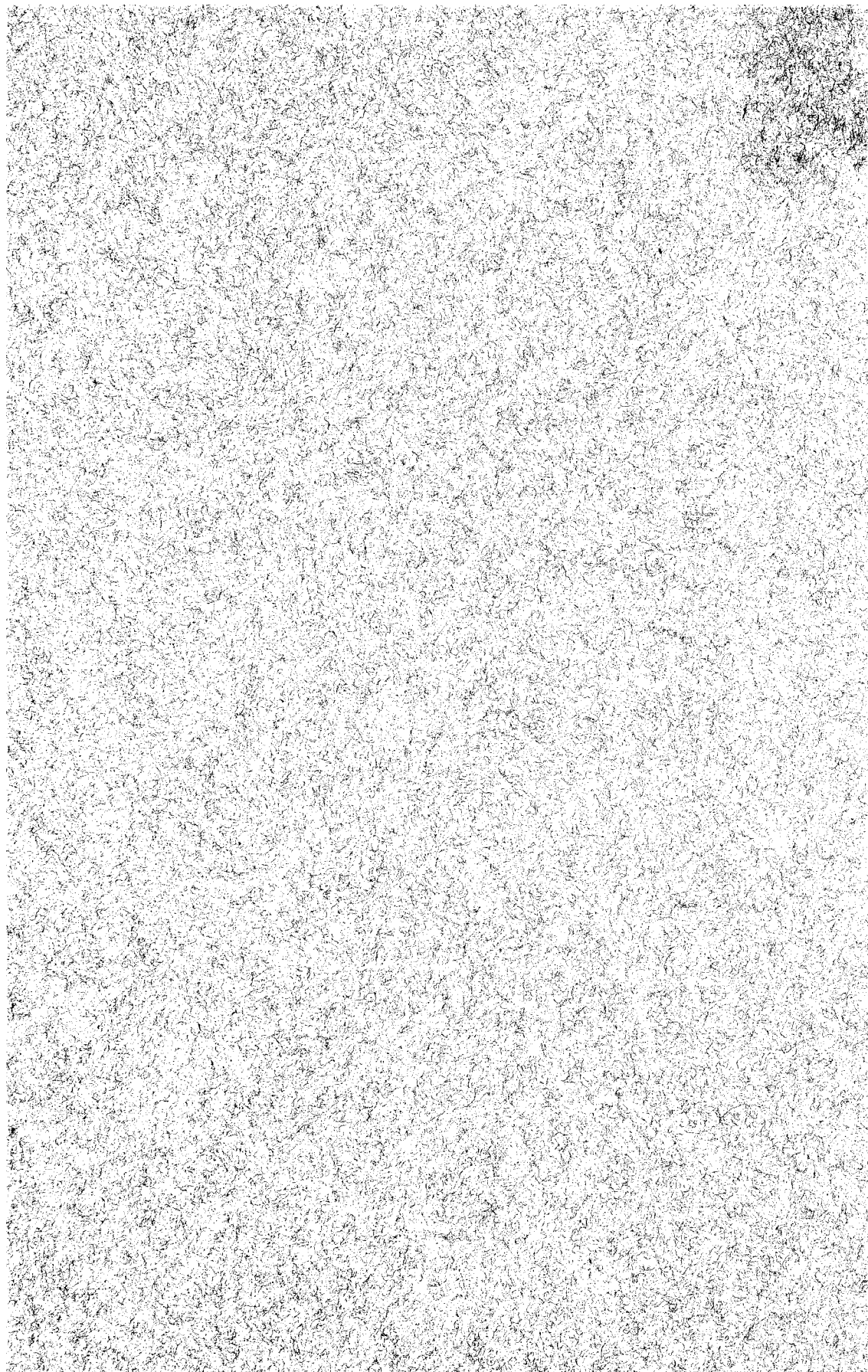
LEGISLATIVE ASSEMBLY OF ALBERTA

On moving the House into Committee of Supply

PRINTED BY ORDER
OF THE LEGISLATIVE ASSEMBLY



EDMONTON:
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BUDGET SPEECH
DELIVERED BY
HON. C. R. MITCHELL

Treasurer of the Province of Alberta
TUESDAY, MARCH 6th, 1917

Mr. Speaker,—In speaking to the motion standing in my name on the Order Paper, that this House go into Committee of Supply, I wish to mention the fact that this is the fourth occasion on which it has been not only my privilege, but my duty, to present to the Legislative Assembly and the people of the Province a statement of the financial operations of the Province for the preceding year. Unfortunately we are still living in the shadow of the great war which is causing such wanton destruction, not only of property, but of life; and necessarily we are confronted with the difficult situations which present themselves from time to time owing to the unusual disturbances occasioned thereby.

My message of today will be much along the line of previous statements which I have delivered in connection with the Budget of the Province. Let me say, however, that anyone who has a message of public importance to deliver is in duty bound to confine himself as largely as possible to a strict statement of the facts to be presented. Even those who do not cultivate a high standard of ethics in their private affairs have learned this lesson with respect to public transactions. So far, however, as the Province of Alberta is concerned, there is no occasion for departure from the truth, or indulgence in exaggerated commendation. Alberta during the past year in many respects has had unusual prosperity. In fact, it has been everywhere admitted that Alberta last year was the "one bright spot on the crop map of the West." With respect to the season just closed, especially in Southern Alberta, there was harvested a splendid crop, which, taken in conjunction with excellent prices, has brought to the pockets of the farming public a most unusual and unexpected quantity of money. Central and Northern Alberta, with perhaps a smaller output of grain, were favored in the increased production of live stock and dairy products generally. The whole Province seems to have experienced unexampled prosperity. In Eastern Canada we must recollect that conditions have not been so favorable as they have been in the Province of Alberta. I think those of us who claim Alberta as our home may well thank Providence for the propitious conditions which have created such wonderful prosperity at the present time. Unfortunately, the feeling of contentment which we would naturally enjoy by reason of this prosperous condition is marred by other considerations which I have already touched upon. We are safe, however, in concluding that, so far as the Province of Alberta is concerned, agriculturally speaking, we have passed the speculative stage and have effected a scheme of development out of which in years to come will evolve one of the greatest Provinces in the Dominion.

We are told that Britain and the Empire must rely on Western Canada for food stuffs. Is it not a privilege to live in a country which is being so largely depended upon as Canada is today, by Great Britain and her Allies?

PROGRESS WITH ECONOMY.

A young Province with great resources is naturally progressive. It must either develop its latent wealth or let it lie dormant. Development requires capital. New settlers require transportation facilities in order to reach the markets with their produce. Therefore roads and bridges must be encouraged, not only to reach in all directions to gather the produce of the farm, but to tap the undeveloped mining districts of the north and west. Prudence is a good thing, but too much prudence means stagnation, and it should be the policy of any progressive government to so use its capital that good returns would be manifest from the beginning. This is the meaning of progress, and there should be no hesitation, once the necessity is shown, in putting a just proportion of our assets against initial development. When capital is withheld development must wait, and it is clear that a slightly larger investment at the beginning for such work, in advance of population, is far better than doling out aid in the wake of pioneers who have to suffer until roads and railways reach them. The hardships of the farmers on the outskirts of civilization are trying enough without withholding what—with no very great sacrifice to the credit of the country—can be prepared for him coincident with, or even before, his entry. It is for this reason that railway lines must be guaranteed and new roads and bridges built.

We point to these things as justification of our action in borrowing, from time to time, considerable sums of money in the financial markets of the world. We feel that in borrowing this money we have but carried out our bounden duty to the people of a young and progressive Province. Up to the present time at least, nothing has occurred to make us regret any expenditure undertaken. I am sure that the members of the Opposition side of the House, taking into consideration the necessities and requirements of our period of growth, will agree with me in this statement. So far as initial capital outlay is concerned, we should not hesitate to incur whatever expenditure is necessary to care for the pioneering projects of this country. In a young country, temporizing with such matters means loss, for returns from such investments will quickly follow. In fact the benefits accruing to the settlers in the past two years alone have sufficiently repaid the Province. It is true our expenditures, both on income and capital account, have been relatively heavy. Owing to the varied topography of the Province of Alberta, the problem of the extension of roads, bridges and telephones—serious in any new country—is a more difficult and costly one than is the case in the neighboring Provinces to the east of us—our rivers and undulating plains adding greatly to the burden. So that no apology need be offered either for the annual borrowings or for the present indebtedness of the Province, which, as I will show later, amounts to the sum of \$28,637,535.81*.

PUBLIC DEBT AND ASSETS.

It has been said that "the possession of a reasonable Public Debt is actually a source of strength to a democratic country." Paradox-

* See Statement No. 7.

ical as it may seem, it is nevertheless true, that a debt is not at all a bad thing if the country has the resources to pay and more than pay the interest on that debt. The chief reason for this is, that in a proper accounting system the Public Debt represents nothing more nor less than the amount of money expended by the Government in permanent works for the benefit of both present and future generations. It represents the amount expended on public buildings, roads, bridges, telephones and other public works, the larger portion of which has been expended within the Province. If our Public Debt were less, then less money would have been brought into the Province and expended here, and you would also have fewer utilities and other improvements in the country than you now have.

Now, I have said that a reasonable debt is quite justifiable if the assets of the Province are sufficient to warrant it. The Assets of the Province are as follows:

PROVINCE OF ALBERTA.

Statement of Assets as at December 31st, 1916.

Debt Allowance	\$ 8,107,500.00
School Land Fund	8,163,641.01
Loan to Alberta Farmers' Co-op. Elevator Co.....	721,404.17
Advance to Central Canada Railway.....	2,000,000.00
Seed Grain and Creamery Loans	61,201.27
Advances to School Districts	43,314.34
Telephone Plant, Stock, Tools, etc.....	9,134,404.16
Cash in Banks	678,596.08
<hr/>	
Total Revenue producing Assets	\$ 28,910,061.03
Public Buildings, Bridges, Roads, etc.....	13,315,849.11
Deferred Assets	84,448,979.76
<hr/>	
	*\$126,674,889.90

On the public debt of \$28,637,535.81 the average rate of interest payable on the whole total is 4.48 per cent.; so that the average rate of interest on the various loans, which have been made since the creation of the Province in 1905, is not excessive, particularly in the light of what we have been accustomed to pay for money during the last three or four years. In fact, our percentage of interest on the public debt to the revenue of the Province is not high. The General Revenue of the Province in 1916 amounted to \$5,281,695.00‡, and interest on our Public Debt for a corresponding period, including telephones, which of course are self-supporting, amounted to \$1,393,541.00, or a proportion of 26.38 per cent.—not an unwarranted percentage, I might say, considering the character of the investment.

I have mentioned on more than one occasion that it is not the practice of the Government to provide a Sinking Fund for the purpose of repayment of loans in full during the period of the loan. On the contrary, it is the expectation of the Government to be able to refund these debts in their entirety, and not to provide for retirement of the loans until such time as the country can obtain an increased

* See also Statements Nos. 6 and 7.

‡ See Statement No. 1.

revenue, and is able to set aside a larger amount as a Sinking Fund. In addition to the assets which we have, we must also take into account the general resources of the Province, i.e., the income which the people of the Province receive through crop production and manufacturing, because, in speaking about assets, the general resources of the country from the standpoint of production and conversion of the same into wealth is just as important a feature as the actual asset which has been purchased or acquired by the borrowing of money. So this consideration of the question of general resources of the Province is a very important one.

RICHER BY \$207,000,000.

With only 10 per cent. of its arable lands under cultivation, this Province has produced \$148,000,000 of agricultural products during the year 1916, an increase in value of \$37,000,000 over the extraordinary yield of 1915. In addition to this, there has been an increase in the value of live stock of \$7,473,685, making a total increase of \$44,500,000 over the year 1915 in agricultural products alone. To this must be added coal production of upwards of \$12,000,000, and manufactured products of at least forty millions. Total products for year, \$207,838,279.09*. The live stock industry of the Province is valued at \$118,098,685.** So that assuming a population of 539,000, the Province has added to its wealth during the year 1916 almost \$400 for every man, woman and child in the Province.

Since new sources of production are constantly being found in addition to an increased area of land in cultivation, these figures should grow year by year. The value of the output of produce for the year 1916 is 33 per cent. greater than in the year 1915. On December 31st, 1916, our statement of assets showed \$126,674,889.90†. So that while during the year we borrowed \$2,000,000, the assets of the Province have increased by \$2,666,254.59. This sum is made up of capital works established and investments made during the year, and to some extent by assets on school lands account previously undisclosed by the Dominion Government.

ECONOMIC POSITION OF ALBERTA.

Excellent as was the production of the year 1915, it is not too much to say that Western Canada, and especially this Province, has more ready cash this year than last. Even where a serious crop shortage had to be faced, the introduction of mixed farming methods lessened the average of loss, while the enhanced price of wheat and other farm products assured the farmers of the West two good seasons of splendid results in succession. Business men report that enormous business was transacted last year in all lines of wholesale over the whole Province. Almost 90 per cent. of all the obligations of farmers have been met. Farm loan and mortgage companies doing business in Alberta claim that such a large percentage of their loans have been paid that cash is a drag on their hands. Implement firms report a larger percentage of cash collections and less renewals than at any time in the history of the West. There is no reason why this record should not continue if careful cultivation is followed, and mixed farming made the basis of effort.

* See Statement No. 3.

** See Statement No. 3a.

† See Statement No. 6.

GREAT WHEAT YIELD.

The people of this Province have heretofore scarcely realized the vast resources of their own country. For ten years this Province has maintained a steady average of wheat production, 5 1-3 bushels per acre in excess of that of the United States. To a lesser extent it excels all the Provinces of Canada in wheat growing, and what is true of wheat is also true of oats and barley. In grain production this Province has no peer. The world's record wheat yield from 1,000 acres held by Colfax county, Washington, U.S.A., has been beaten by an average yield of 54 bushels and 28 pounds from C. S. Noble's 1,000-acre tract of Nobleford, Alta. The average yield of grain in Alberta for the past two years has been so much in advance of even our nearest competitors that it would not be surprising, when this fact has been properly advertised, if immigration to this country sets in with a rush never before experienced.

LEADS IN WOOL.

Alberta led all the Provinces of the Dominion in the amount of wool produced this year, there being nearly 1,750,000 lbs.* shipped from various parts of the Province, more than was shipped from Manitoba, Saskatchewan and British Columbia combined. Practically all the Western clip was handled under the grading and sale scheme of the Canadian Government Department of Agriculture.

COAL RESOURCES.

Then there are our coal resources. No one in Alberta need fear a coal famine. There is sufficient coal underlying this Province to supply all Canada for many years to come, and it is so well distributed that no part of the Province need go far to draw its fuel supplies. Fourteen and a half per cent. of the world's supply is in Alberta. Most of it, like our other resources, still calls for development, but even while still in its infancy the coal industry of the Province has an annual production of 4,648,604* tons (1916), valued at \$12,008,212.09.

BALANCES FOR THE YEAR 1916.

Dealing now with the portion of my subject which more particularly concerns the Legislature, namely, the balance for the year 1916, let me draw attention to the fact that the Province closed its books on December 31st, 1916, with a cash bank balance of \$451,875.27, in the general revenue account, and \$226,720.81 in the telephone account; thus ending the year with a working balance of cash to the credit of current account amounting to \$678,596.08. These balances show a very satisfactory condition of affairs, and indicate that there is on hand an amount adequate for all requirements until such time as the Province may be able to float a further loan to provide for the new expenditures authorized.

Now, how did we close our year so far as income account is concerned, irrespective of what moneys have been borrowed by the Province for capital expenditure? First the revenue side of the case. Generally speaking, our revenue so far as earnings are concerned, has not been materially reduced during the last few years. As a matter of fact, year by year our annual revenue earnings have been increased

* See Statement No. 3.

to a slight extent, but owing to the times in which we are living, and to circumstances difficult to control, we have not been able by the end of the year to collect all moneys earned. So there is the situation to face of a steadily maintained revenue so far as earnings are concerned, but also the inability to collect that revenue from year to year, unless for the time we are to impose a hardship on the community. Owing to the fact that we have not unduly pressed for the collection of revenue, we therefore find ourselves at the end of the year with a deficiency on the following points:

For the year 1916 only, there were uncollected the following taxes:

Wild Lands Tax	\$480,000.00
Educational Tax	65,000.00
Succession Duties	50,000.00
Railway Taxes	21,121.76
Corporation Tax	5,000.00
Proportion of uncollected School Lands Fund, Ottawa (<i>estimated</i>)	200,000.00
	<hr/>
	\$821,121.76

In addition, however, to these amounts outstanding for the year 1916, there were accumulated arrears as follows:

Wild Lands Tax	\$ 470,000.00
Educational Tax	285,000.00
Succession Duties	71,593.36
Railway Taxes	63,365.28
School Lands, uncollected (<i>estimated</i>)	583,041.93
Miscellaneous—	
Seed Grain Advances (advanced out of Income)	\$20,575.00
Creameries (advanced out of In- come)	34,765.00
	<hr/>
	55,340.00
	<hr/>
	\$1,528,340.57
	<hr/>
	821,121.76

Total arrears of Revenue, December 31st, 1916, \$2,349,462.33

There was, as you see, a deficiency of \$821,121.76 at the end of 1916 in revenue earnings, which amount we were unable to collect. Had that amount of money been collected, or had we borrowed that amount temporarily, it would have been available for our purposes during 1916, so we could have made all expenditures and would have had the sum of \$43,102.96 to the good on December 31st. Unfortunately, however, that money has not been collected, and will not be collected for several years. Our experience has been that each year we have not been able to collect the whole of the preceding year's revenue, and that when we need it most, i.e., December 31st, each year, it is not all available; but the situation so far as the country is concerned, and where our ultimate finances are concerned, is not nearly so unfortunate as possibly the situation appears from the standpoint of

the Treasurer's desires in the matter. As I said, had we made the collections which were due, we could have gone into the year 1917 with a surplus of some forty-three thousand dollars. On the contrary, however, there is a deficiency of some \$778,018.00, and that is the deficiency which the Treasury Department will have to make up during the succeeding year.

Now for instance, if the Dominion Government next year would show a little more activity in the collection of the School Lands Funds, and provide us with increased revenues from that source, it would go a long way towards realizing our desires in that respect.

TELEPHONES.

With respect to the telephone account, there is a surplus on income account of \$40,819.24, after providing for sinking fund payments of \$47,357.73, making an accumulated surplus in the telephone system of \$394,094.39. It cannot be said that this surplus has been obtained at a sacrifice of any part of the system, as every part of it has been maintained up to the highest standard of efficiency. Nor has this been done on borrowed money, but out of the earnings of the system. There are few privately owned companies that have made a better showing. For the Government plant has set aside a sinking fund, kept the system in good repair, and has a reserve for future contingencies of approximately \$394,094.39. One of the main features to consider in connection with the telephone service is the low rate charged to patrons. Especially is this true in the rural sections, where the rentals are extraordinarily low; and so far as the cities and towns are concerned, I think the rentals there are very moderate considering the splendid service given. No doubt a great deal of credit is due to the use of the automatic system, which is not affected by the scarcity of labor—a difficult problem to many of us at the present time.

1917 ESTIMATES.

Now having dealt with the balances for the year 1916, and shown the House that we ended the year with a very substantial cash balance, so far as the general revenue is concerned, and having shown that had we been able to make our collections of revenue we would have closed the year with a substantial surplus, I pass on to the estimates of 1917.

In explanation let me say, however, that I do not mean to state that by the close of the year 1917 we shall have a surplus of the amount shown, but what I do say is this, that placing on one side of the ledger the revenue which we earn—naturally expect to earn—and on the other side our estimated expenditure, the difference in favor of the revenue side will amount to some \$227,000.00.*

SAME CONDITIONS THIS YEAR.

There will no doubt be the same difficulty in collections in 1917 as existed in previous years. We cannot expect to improve that condition of affairs during the continuance of the present war, when everything in a business way is disorganized. If some people are making abnormal profits, they do not happen to be the class of people the government is able to tax under our present system. In some instances people are taxed who are less able to bear it. But taxation is

* See Statement No. 2.

a matter of principle, and we must maintain some steady system. Up to the present time we have not adopted the policy of looking to the individual for provincial taxation. Had we adopted that policy, no doubt at the present time, when the rural population is prosperous and so able to bear taxation, our coffers would have been full to overflowing. But we have not reached that point in the Province of Alberta where we can ask the individual farmer to put his hand into his pocket and pay any appreciable sum of money on behalf of the public service of the country. Neither have we gone to the cities and towns and asked them through their municipal councils to levy any specific rate; so that up to the present, at any rate, the Legislature of Alberta has been extremely indulgent so far as the taxation of the people individually is concerned.

HOW REVENUE IS OBTAINED.

But the question is asked: "If you are not taxing the individual, where are you getting your revenue? How are you carrying on the public service?" My answer is that the great proportion of our revenue comes from our Dominion Subsidy, and we expect during 1917 to receive from that source the sum of \$1,589,075.00 from the various four classes under which it is divided:

Government and Legislature	\$ 190,000.00
Estimated Population	431,200.00
Grant in lieu of debt	405,375.00
Compensation of Public Lands.....	562,500.00
	<hr/>
	\$1,589,075.00

In addition we expect to derive from the school land fund a sum of \$300,000*. That is a large item in connection with the revenue. Then we have the revenue under the Insurance Act, Succession Duties, Sheriffs' Office, Land Titles and various licenses of corporations and railways, certain revenue from Public Institutions, the Public Works and the Education Department—the latter of course being largely a spending Department, with a small revenue. Our Agricultural Department receives a fair revenue. Our Municipal Department is a large revenue producer, as this Department is responsible for the Education, Timber and Wild Land Taxes. Then we have a revenue from the Telephone Department of \$1,150,000*. In this connection I may say that the revenue of the Telephone Department is growing steadily year by year, and it invariably comes within a few dollars of realizing the estimates made for that year, so in estimating the \$1,150,000 income from this Department, I believe there is no doubt but we shall receive that amount this year.

WILD LANDS TAX.

The Wild Lands Tax is new, and has not yet reached its maximum efficiency. The tax as collected is very largely from the speculator, and not from the man who is cultivating the land. The time is now arriving when the Government will be in a position, in a measure, to hurry the collection under that Act; but at the present time we have not been in a position to press collections, one reason being that the tax was so new. People were unaccustomed to it, and we had no

* See Statement No. 2.

desire to create any hardship in its enforcement. In 1914 not much collecting was done; 1915 was better, and 1916 slightly better yet. Better collections should be made in the future than in the past. But there is a well-defined reason why, in the earlier history of the Act, collections were not so good as we expected, and as we hope they will be in the future.

NOT MEANT AS BURDEN.

The Wild Lands Tax was not meant to be a burden upon the individual. The people who for the most part bear it are speculators, and it was placed on those best able to pay under circumstances of minimum hardship. Only by taxing land values can we get this land down to the right price. If we tax the vacant land held for speculation, we make the land close to markets attractive, and we make farming a business proposition, which it ought to be.

Now the amount of public revenue on income account, which we expect, amounts to \$6,908,875.00, and the estimated expenditure of the various Departments to \$6,681,535.00, leaving an estimated surplus of \$227,340.00. Some of the Departments in the Government Service are asking for more money, consequently the expenditure for 1917 will be higher than it was in 1916. For instance, our Police Force this year will cost \$350,000. Last year the contribution to the R.N.W.M.P. was \$75,000, so you will see in that item alone we are obliged to provide a very considerable additional amount.

The Telephone Department anticipates an expenditure of \$38,098.71 in excess of that of last year. That is an item which will be offset by a like increase in revenue. Our Public Institutions are asking some \$33,111.34 mainly for maintenance and transportation of prisoners. Our Dairy Work is asking for \$18,000 more this year than last, but this also will be offset by a corresponding revenue item. Our Educational Department is asking for nearly \$70,000 additional money, chiefly for increased grants to schools, and to provide for the maintenance and equipment of the Vocational School at Calgary. Civil Government is asking for \$48,000 more money.

This increase is due to the increased duties to be imposed on the Departments during the coming year over what it was in the preceding year. So that, although we are asking for increased expenditures, during 1917 over what they were in the preceding year, there is on the other hand a well-defined and legitimate reason for every increase which we are asking. We had expected in the earlier history of the war that a decided curtailment in expenditures would be necessary, not only in government, but in municipal business affairs as well, and that policy applied in the first year or so; but gradually, as the fact became established that this war would be prolonged, and the public became accustomed to the abnormal conditions, then it was found that circumstances arose which required additional expenditure on every hand. A glance at conditions in the schools of the Province will illustrate my point. At the beginning of the war salaries were slashed right and left. Now schools are paying the same salaries as were paid before the war. It has been more difficult to curtail expenditure in the government service because of a certain unrest among the people, and the necessity of creating re-assurance, and to a certain extent satisfying appeals for assistance.

In addition to the item of over \$350,000 expenditure for Provincial Police, we have on the other side of the account to take into consideration that owing largely to the withdrawal of the Liquor License Act the country has been deprived of a net income of some \$150,000 of revenue from Liquor Licenses. That may seem a small amount, but it has a bearing on the balance shown at the end of the year. When one adds this lost revenue of \$150,000 to the extra expenditure of \$350,000, it will be seen that there is a difference of some \$500,000 to provide for.

One of the interesting investigations with regard to the finances of the Province, and I think it has not been presented in this way before, is the analysis or allocation of loans:

PROVINCE OF ALBERTA.

Allocation of Loans raised from 1905 to 1916.

(a) DIRECTLY REPRODUCTIVE UNDERTAKINGS—

1. Telephones	\$9,134,404.16	
2. Demonstration Farms	316,492.49	
		\$9,450,896.65

(b) INVESTMENTS—

Advance to Central Canada Railway	\$2,000,000.00	
“ “ Elevator Company	721,404.17	
“ “ School Districts	43,314.34	
“ “ Creameries	5,863.03	
“ “ (Vendors of Liquor Stores) ..	12,000.00	
“ “ (Taxes on Forfeited Lands) ..	18,763.05	
Bank Deposits (Capital Funds)	666,893.38	
Principal Moneys returned by Elevator Company and invested for Sinking Fund	28,599.35	
		\$3,496,837.32

(c) INDIRECTLY PRODUCTIVE WORKS—

Bridges	\$ 1,998,034.65	
Trunk Roads and Bridges thereon	2,860,177.55	
Surveys	687,364.59	
Drainage	10,866.29	
Inspection of Coal Mines, including Coal Mines and Rescue Apparatus	89,424.87	
Ferries	38,044.85	
		\$5,683,912.80

(d) UNPRODUCTIVE—

Public Buildings	\$ 7,241,874.56	
Gift of Oats to Great Britain	271,815.81	
Gift of Flour to Belgium	15,000.00	
Grant to Hillcrest Relief Commission ..	20,000.00	
Miscellaneous Patriotic Purposes	23,611.50	
Springbank Irrigation District	25,000.00	
Relief to Cities and Towns	58,974.62	
School Ordinance, Section 130	2,579.97	
Miscellaneous; and discount and ex- penses of raising loans	2,709,696.77	
		\$10,368,553.23
		\$29,000,200.00

Take first the Division A. Under the heading.....

Mr. Michener: What about Demonstration Farms?

I do not think this is either the time or place for the honorable member and myself to enter into a discussion regarding Demonstration Farms. I think the public will settle that question for themselves by and by. They realize the great value of these farms and the schools of agriculture erected upon them—in fact so great is the appreciation of this progressive idea throughout the Province that it has been deemed advisable to provide a considerable sum for additional schools in the coming year.

With regard to directly reproductive and revenue-producing assets, you will notice that under that heading there are over nine millions of dollars of our loans invested. Under investments, there is an item of \$721,404.17 for Elevators. We have loaned to the Alberta Farmers' Co-operative Elevator Company, and to the school districts certain amounts which will be repaid. We have loaned to Creameries a small sum and have some \$12,000 worth of liquor in the vendor's stores. Then we have loaned to the Central Canada Railway two millions, so that altogether under investments we have about \$3,500,000. I have made another classification of investments, viz., those indirectly productive. Nearly six millions have been spent on indirectly productive works, so you will see that we have a fairly large proportion of assets of that character, all essential to the general welfare of the Province. Then there is another classification which might be termed unproductive, or non-revenue-producing, and we find a large proportion of this class is represented by expenditure on public buildings, and necessarily so because our great public institutions, our Court Houses, Gaols, Land Titles Offices and Asylums are not revenue producing institutions. On public buildings we have spent seven millions odd and on patriotic gifts over \$300,000.00. Then there are the usual discounts on loans and miscellaneous expenses amounting to several million dollars. So our total investment in unproductive undertakings amounts to over ten million dollars. Under these four classifications we have our whole debt accounted for. As to the details of these various sums, the Public Accounts will show all particulars. I think it is well for us to consider these four classifications of twenty-nine millions of loan investments, and note that nearly thirteen millions are directly revenue producing undertakings, and over five and a half millions indirectly productive.

I realize in dealing with the budget that one is obliged to enter into more or less detail, which is always tiresome, but I have almost reached the conclusion of my remarks so far as details are concerned. However, before taking my seat I should like to give the House some specific information with regard to certain tax collections.

RECENT NEW TAXATION.

It may prove interesting to know how recent new revenue taxation has succeeded. I shall, therefore, give a short summary of the various new tax Acts or amendments under which our revenues have been increased. An amendment to the Corporation Tax came into force on April 4th, 1916. This is in connection with ordinary Joint Stock Companies, and the amount collected during the year was \$51,775.81. The Theatre-Goers' Tax came into force on June 1st,

1916, and brought additional revenue into the Treasury amounting to \$38,860.66. While the Wild Lands Tax is not new, it may be included among recent new taxation, and I shall give a short summary of the amounts levied and collected for the years 1915 and 1916.

Wild Lands Tax Summary.

Levied 1915	\$699,824.01
Collected 1915	156,831.61
Outstanding 1915	<u>\$542,992.40</u>
Levied 1916	\$681,000.00
Collected 1916	236,108.33
Outstanding 1916	<u>\$444,891.67</u>

Summary.

Levies 1915 and 1916	\$1,380,824.01
Collected	<u>392,939.94</u>
Balance uncollected	<u>\$ 987,884.07</u>

On our increment tax we have collected some \$107,000. There has been a loud outcry on the part of the Urban municipalities that we were taking an undue proportion of this tax, and depriving the cities of a much-needed revenue. This complaint falls to the ground when we consider that our revenue for the whole Province from this source in the three years amounted to only \$107,000.

SCHOOL LANDS ARREARS.

I will now deal with the question of school land arrears. This is a serious matter for the Province, and is, I believe, one of the important arguments in favor of handing to us the control of the school lands of the country, and opens also the wider question of the Provincial Control of natural resources.

The Dominion Government has collected in principal moneys on account of School Lands in each year the following sums:

	Amt. Paid into Bank at Ottawa yearly.	Total Amount on Deposit.	Interest Paid to Province at 3% Yearly.	If Paid at 5%.
1905	\$ 44,758.58	\$ 44,758.58		
1906	170,948.16	215,906.74	\$ 3,008.44	\$ 5,014.07
1907	83,266.66	298,973.40	8,615.56	14,359.26
1908	70,790.03	369,763.43	7,776.61	12,961.01
1909	82,359.96	452,123.39	12,790.09	21,316.82
1910	401,495.74	853,619.13	20,415.16	34,025.27
1911	438,395.79	1,292,014.92	34,749.52	57,915.87
1912	478,388.71	1,770,403.63	50,797.04	84,661.73
1913	318,505.57	2,088,909.20	60,896.23	101,493.72
1914	273,429.52	2,362,338.72	69,414.50	115,690.83
1915	158,258.08	2,520,596.80	76,435.88	127,393.13
1916	110,182.73	2,630,779.53	78,154.28	130,257.14
	<u>\$2,630,779.53</u>		<u>\$423,053.31</u>	<u>\$705,088.85</u>

This money was presumably deposited in the Bank of Montreal at Ottawa, and each year interest at the rate of 3% on the amount on deposit is paid to this Province.

The Dominion School Lands Act, Section 42, Chap. 20, 1908, enacts as follows:

"42. All moneys from time to time realized from the sale of "school lands shall be invested in securities of Canada to form a "school fund, and the interest arising therefrom, after deducting the "cost of management, shall be paid annually to the Government of "the Province within which such lands are situate, towards the sup- "port of schools organized and carried on in accordance with the law "of such Province; and the moneys so paid shall be distributed for "that purpose by the said Government in such manner as it deems "expedient."

If this law had been complied with by investing the funds on hand in Dominion Securities, this Province would have received instead of interest at 3% an average of nearly 5%, which would have increased the revenues of the Province by \$282,035.54. All of which sum could have been applied to increase Educational facilities in this Province.

It is true that Dominion bonds have not been paying 5% all these years, but there is no reason why this Act could not have been amended to include other first class securities paying at least 5% or more, such as Provincial School Bonds, or Municipal Bonds, which would produce perhaps double the income. But whatever excuse there may have been in the past, when bonds of high investment values were paying a low interest rate, there certainly is no reason now—nor indeed since the outbreak of the war—why the Dominion Government should not have invested this money in its own War Bonds, and thereby given this Province increased funds for School purposes.

In addition to the \$282,035.54 before mentioned, which the Province has *lost* for all time to come, through the laxity of the Dominion Government, there is \$2,547,859.15 overdue principal money on School Lands sold. The interest on this \$2,547,859.15 overdue principal moneys at 3% (the rate now paid) would amount to \$76,435.77 per annum. By the failure of the Federal Government to collect these funds and then invest them in 5% Dominion Bonds, the Province has lost in the year 1916 alone, \$127,392.95. Adding to this amount the sum of \$52,102.86, being the interest on the principal moneys already in the School Lands Trust Fund at Ottawa lost through investing at 3% instead of 5%, there is a total annual loss of \$179,495.81. That is, instead of receiving \$169,226.73 in the year 1916, we should have received \$348,722.54. Inasmuch as the Province expended \$1,070,836.34 on Education for the year 1916, of which \$600,085.01 were School Grants, it is to be regretted that the Dominion Government has not seen fit to have guarded to better advantage the interests of the Province in the matter of the investment of this Trust Fund.

MR. MICHENER: Was this matter taken up with the Finance Department at Ottawa?

MR. MITCHELL: Yes. Up to the present time our negotiations have not been satisfactory, but I am a firm believer that time will cure all things, and possibly, if we are willing to wait, the Dominion Government will perhaps settle the matter satisfactorily to us.

MR. EWING: What reason have we to believe that the investment has not been made in securities?

MR. MITCHELL: Our record of statements and correspondence indicates it. I believe this is a matter in which the Government ought to receive the co-operation of the members of the other side of the House, with a view of bringing to the attention of the Dominion authorities a more aggressive administration of School lands funds. It is a question on which the united forces of the House ought to be brought into play, because if we can get 5% on money instead of 3%, then I think the country is entitled to it, and our Province would benefit accordingly.

Lastly, there are also outstanding interest payments of \$783,041.93 which have not been collected.

The loss of the above sums, in addition to the withholding of our natural resources, is a heavy handicap indeed to a young Province, which must of necessity do a great deal of expensive pioneer construction and improvement work, as well as provide adequate educational advantages for a mixed population of many races. In this respect, however, this Province has received no less consideration than other Western Provinces, and I trust in the near future this subject may be made a matter for a joint petition to the Dominion Government.

Should the Dominion Government meet the wishes of the Province, and make provision for investing this money to better advantage, I would suggest that no better assistance could be rendered in the matter of cheap money to farmers than for the Dominion Government to buy our 5% Rural Credit Bonds at par with the School Lands money—thus allowing the farmer to get his money at 6% flat, or thereabouts. If this were done, the Province would receive an in-

creased annual payment from School Lands Trust Account, and the farmers, incidentally, would be able to negotiate their loans at least 1% cheaper.

RURAL CREDITS.

Let me proceed to the question of Rural Credits and the attitude of the banks. Within the last few days we have heard a great deal about assistance to farmers; therefore, I will not address the House to any length in connection with that phase of economic development. There is no question but that the banks in this country have very materially changed their attitude towards the farmers. There was a time when the banks were of little service to the farming community. There was a hesitation in extending loans beyond a period of one year into the second year. Yet, owing to the fact that banks are good business institutions—at any rate far-seeing enough to observe the trend of development of the country—they became aware of the strength and power of organized agricultural interests in this country and they have of recent years, particularly the last two years, been more liberal in their advances to farmers. In the past the average period which live stock loans covered would not exceed a year, but, since the recent amendment to the Bank Act, credits have been granted to customers extending over two years, with the understanding that they might be carried for a further period, if necessary. This is a step in the right direction—an advance for which the banking institutions should have some measure of credit. Of course, co-operation and organization among the farmers have been marked, and we have in this country a highly trained class of men who know how to look after their respective interests. Only within the last few months a conference of a Joint Committee of Commerce and Agriculture at Winnipeg assembled to discuss how banks and farmers could improve their mutual relations, and I was interested in reading the discussions which took place because the Province was so well represented. We had the U.F.A. representatives, some members of the Legislature, and one representative from each side of the House. I am sure the gentlemen who attended that conference will bear me out when I say that it would be in the interests, not only of the banking institutions, but of the farming community, if these conferences were held oftener, and we hope they will continue in the future to the end that the relations existing between the banker and the farmer may materially improve. I believe it to be a good augury when financiers, particularly the banking institutions, seek to establish more amicable relations with the farming community.

I do not think it is the duty of a Provincial Treasurer to discuss Dominion matters excepting where they may bear directly on conditions of the Province, and their financial relations to the individual. I have referred to the matter of school-lands because they have a direct bearing from the Provincial standpoint.

PROTECTIVE TARIFF.

But the question of tariff is more an indirect than a direct matter, excepting in so far as the cost to the public of obtaining farm implements in this country is concerned. We all know there is a fairly high tariff against the import of farm implements into this country and to such an extent that we must pay a correspondingly higher price for the implements which are used on our farms. If an article can be bought in one place for 75c, there is no reason in our opinion why

we should be called upon to pay \$1.00 for that same article in this country; but be that as it may, the question whether the tariff should be raised on this or that article is a debatable one, so I am not going to take any stand regarding the tariff, other than to say that during the war when the implement manufacturers are engaged in making munitions, that the high tariff on farm machinery should be at least temporarily withdrawn. If this were done, the manufacturer could devote all his time to the making of munitions with no loss to himself, while the farmer, by being able to buy his manufactured goods cheaper, could apply the saving to heavier production. So that all concerned would be benefited—the manufacturer would help the Empire with an increased output of munitions, the farmer would help the Empire with more farm products, while at the same time both would make greater profits for themselves.

CONCLUSION.

Now I have detained this House at length in order to demonstrate to the Legislature, and to the public generally, that the Province of Alberta at the present time is on a safe and sound footing. As a result of the operations of the last few years, and particularly the year that has just closed, we have no occasion to worry. And I might add one should not think too much of the future. For the present we must “fight and produce.” The West is doing both. There are other ways of course to fight besides manning the trenches—one can pay his share. It is presumed all are doing either the one or the other—fighting or paying; but all should, in addition constantly assist in increasing production. There is wastage to repair, both here and in Europe. It will take many years to make it up. Therefore it is necessary to begin now. If we continue industriously to produce and to economise now, after the war conditions will adjust themselves. Already the great organization of the Allies is at work arranging for reconstruction. War orders, it is true, will cease and certain manufacturing interests in eastern Canada and the United States will suffer, but in the West where the “War order” inflatus has not extended, the same production will be demanded and required, and prices should not decline materially.

There will also be the returning of many soldiers to their homesteads, and immigrants to the newer parts of the Province, all of which will contribute to the prosperity of city and country. It is to be hoped that the Dominion Government will so direct immigration that the developed districts will be settled first, and that homesteaders will not be encouraged to settle where there are neither railroads nor other conveniences, that may be had in older settlements, for while the Province is doing its best to extend railway, telephone and good road facilities in every direction, the Dominion Government should help by establishing settlers as far as possible along the routes already completed.

STATEMENT NO. 1.

INCOME ACCOUNT.

GENERAL REVENUE AND TELEPHONE.

For the Year ended December 31, 1916.

Revenue:

Dominion Subsidy	\$ 1,589,075.00
School Lands	169,226.73
Grant to Seed Fair	4,459.91
Treasury Department	415,069.38
Provincial Secretary	563,889.20
Attorney General's Department	604,609.31
Department of Public Works	35,511.41
Department of Agriculture	111,731.91
Department of Agriculture (Dairy Branch) ...	259,616.99
Telephone Department	1,052,720.53
Legislation	2,624.50
Executive Council	144.00
Education Department	23,392.10
School Libraries, etc.	4,921.26
King's Printer	8,879.51
Municipal Affairs Department	426,290.38
Public Utilities	3,533.84
Miscellaneous	5,998.85
	<u>\$5,281,694.81</u>

Expenditure:

Public Debt	\$ 945,033.62
Civil Government	533,401.33
Legislation	128,213.58
Administration of Justice	725,130.73
Public Works	597,434.88
Education	1,070,836.34
Agriculture and Statistics	348,346.80
Dairy Work	281,393.55
Hospitals, Charities and Public Health	123,330.41
Telephones	1,011,901.29
Public Institutions	186,888.66
Municipal Affairs	2,475.63
Miscellaneous	62,088.52
Remissions	706.03
King's Printer's Advance	1,154.54
Refunds, Sec. 49 L. L. Ordinance	558.46
	<u>\$6,018,894.37</u>
Deficit.....	<u>\$ 737,199.56</u>

STATEMENT No. 2.
INCOME ACCOUNT, 1917.

Estimates.

Revenue:

Dominion Subsidy	\$1,589,075.00
School Lands	300,000.00
Treasury Department	374,350.25
Attorney General's Department	653,000.00
Provincial Secretary's Department	623,900.00
Public Works	45,950.00
Education Department	21,500.00
Agriculture Department	115,300.00
Dairy Work	300,000.00
Telephones	1,150,000.00
Municipal Affairs	1,721,000.00
Legislative Assembly	1,800.00
King's Printer	8,000.00
Public Utilities	5,000.00
	<hr/>
	\$6,908,875.25

Expenditure:

Public Debt	\$1,067,500.00
Civil Government	581,500.00
Legislation	119,025.00
Administration of Justice	677,240.00
Public Works	647,220.00
Education	1,135,900.00
Agriculture and Statistics	369,800.00
Dairy Work	300,000.00
Hospitals, Charities and Public Health	128,000.00
Telephones	1,050,000.00
Public Institutions	220,000.00
Municipal Affairs	2,650.00
Miscellaneous	382,700.00
	<hr/>
	\$6,681,535.00

Surplus..... \$ 227,340.25

STATEMENT NO. 3.

ESTIMATED YIELD AND VALUE OF AGRICULTURAL AND OTHER PRODUCTS, 1916.

	Acreage	Bushels	Yield per acre	Price	Revenue
Wheat, Spring ..	1,439,800	40,500,000	28.00	\$1.40	\$56,700,000.00
Wheat, Winter ..	40,000	1,000,000	30.00	1.40	1,400,000.00
Oats	1,500,000	72,000,000	45.00	.40	28,800,000.00
Barley	297,000	9,000,000	30.00	.90	8,100,000.00
Flax	45,000	585,000	13.00	2.25	1,316,250.00
Rye	10,000	250,000	25.00	.90	225,000.00
Speltz	2,000	64,500	32.00	.70	45,150.00
Hay	115,000	tons 230,000 bus.	tons 2.00 bus.	15.00	3,450,000.00
Potatoes	50,000	10,000,000	200.00	.60	6,000,000.00
Turnips	16,000	3,000,000	200.00	.25	750,000.00
Carrots	15,000	1,000,000	200.00	.35	350,000.00
Animals Slaughtered and Sold					23,000,000.00
Dairy Products					12,500,000.00
Wool Clip (1,750,000 lbs.)					560,000.00
Game and Furs					2,000,000.00
Horticultural					160,000.00
Poultry					3,000,000.00
Coal and Coke and other Coal Products					12,008,212.09
Manufacturers' Products					40,000,000.00
			1916....		\$200,364,612.09
Increase over 1915 in Live Stock on hand.....					7,473,685.00
			1916....		\$207,838,297.09
			1915....		111,002,650.00
			Increase....		\$ 96,835,647.09

STATEMENT NO. 3A.

VALUE OF LIVE STOCK IN ALBERTA,

December 31st, 1916.

Live Stock	Number	Price	Value in Dollars
Horses	621,200	\$100.00	\$62,120,000.00
Swine	440,310	10.00	4,403,100.00
Sheep	539,100	5.00	2,695,500.00
Dairy Cows	215,033	60.00	12,901,980.00
Other Cows	179,200	45.00	8,064,000.00
Beef Cattle	209,615	55.00	11,528,825.00
Other Cattle	546,176	30.00	16,385,280.00
		1916....	\$118,098,685.00
		1915....	110,625,000.00
		Increase....	\$ 7,473,685.00

STATEMENT NO. 4.

INCOME ACCOUNT.

Revenue:

	Estimated 1916	Actual 1916	Additional Rev. Col. over Estimates	Shortage on Revenue
Dominion Subsidy	\$1,589,075.00	\$1,589,075.00		
Seed Fairs (Dom. Govt.)..		4,459.91	\$ 4,459.91	
School Lands Funds	230,000.00	169,226.73		\$ 60,773.27
Treasury Department	398,350.25	415,069.38	16,719.13	
Attorney-General's Dept. .	660,000.00	604,609.31		55,390.69
Prov. Secretary's Dept. .	447,300.00	563,889.20	116,589.20	
Public Works Dept.	38,848.00	35,511.41		3,336.59
Education Dept.	17,500.00	23,392.10	5,892.10	
Agriculture Dept.	115,875.00	111,731.91		4,143.09
Do. (Dairy Work) ..	250,000.00	259,616.99	9,616.99	
Municipal Affairs	1,222,992.40	426,290.38		796,702.02
Legislative Assembly	1,800.00	2,624.50	824.50	
Executive Council		144.00	144.00	
King's Printer	8,000.00	8,879.51	879.51	
Telephone Dept.	1,100,000.00	1,052,720.53		47,279.47
Public Utilities	5,000.00	3,533.84		1,466.16
Miscellaneous		5,998.85	5,998.85	
	<u>\$6,084,740.65</u>	<u>\$5,276,773.55</u>	<u>\$161,124.19</u>	<u>\$969,091.29</u>

Expenditure:

			Expenditure Under	Expenditure Over
Public Debt	\$ 950,000.00	\$ 945,033.62	\$ 4,966.38	
Civil Government	520,440.00	533,401.33		\$ 12,961.33
Legislation	113,875.00	128,213.58		14,338.58
Adm. of Justice	754,920.00	725,130.73	29,789.27	
Public Works	614,740.00	597,434.88	17,305.12	
Education Department ...	1,037,710.00	1,065,915.08		28,205.08
Agriculture Dept.	375,000.00	348,346.80	26,653.20	
Dairy Work	250,000.00	281,393.55		31,393.55
Hospitals, Charities, etc..	114,500.00	123,330.41		8,830.41
Public Institutions	237,000.00	186,888.66	50,111.34	
Municipal Affairs	2,650.00	2,475.63	174.37	
Remissions		706.03		706.03
Refunds, Sec. 49, L. L. Ord		558.46		558.46
Telephones	980,000.00	1,011,901.29		31,901.29
King's Printer's Advance.		1,154.54		1,154.54
Miscellaneous	61,000.00	62,088.52		188.52
	<u>\$6,011,835.00</u>	<u>\$6,013,973.11</u>	<u>\$128,999.68</u>	<u>\$130,237.79</u>

SUMMARY.

Estimated Surplus for 1916	\$ 72,905.65
Deduct Expenditure over Estimates	\$ 2,138.11
Revenue under Estimates	807,967.10
	<u>810,105.21</u>
Deficit	<u>\$737,199.56</u>

STATEMENT NO. 5.

PUBLIC BUILDINGS.

Cost including Site.

Calgary Normal School	\$234,486.86
Camrose Normal School	239,789.01
Calgary Land Titles Office	146,225.07
Edmonton Land Titles Office	210,628.48
Wetaskiwin Court House	80,330.61
Edmonton Court House	338,110.35
Cardston Court House	22,028.34
Lethbridge Court House	84,029.73
Red Deer Court House	7,423.61
Fort Saskatchewan Court House	9,959.12
Medicine Hat Court House	12,760.70
Claresholm Court House	1,900.00
Calgary Court House	306,558.54
Daysland Court House	958.50
Vegreville Court House	1,750.00
Edson Court House	3,000.00
Stettler Court House	15,978.48
Old Court House, Calgary	3,670.00
Calgary Cold Storage, Creamery	2,513.15
Elk Park Cottage	4,719.26
Parliament Buildings	2,653,426.22
Ponoka Asylum	998,270.43
Jail, Fort Saskatchewan	259,307.70
Jail, Lethbridge	357,934.07
Jail, Macleod (temporary)	10,332.80
Fort Saskatchewan Barracks	4,847.69
Terrace Buildings	53,823.33
Legislative Hall	15,433.76
Stables	1,323.13
Edmonton Registry Office	12,890.98
Heating Building, Calgary	27,573.58
Guard Room, Calgary	4,278.72
New Government House, Edmonton	324,060.63
Stock for Buildings	60,246.08
Garage Stables, Calgary	9,317.49
Blacksmith Shop	5,067.88
Agriculture School, Claresholm	56,599.77
Agriculture School, Olds	66,162.80
Agriculture School, Vermilion	56,408.98
Agricultural Schools, Live Stock Pavilion	26,063.16
Buildings and Grounds purchased from Federal Government	80,999.33
University, Strathcona	302,136.07
Carpenters' Shop	6,634.34
Institute for Feeble Minded Children	124,500.00
Moving Picture Building	1,612.42
Technical Institute, Calgary	28,900.67
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	\$7,274,971.84
Less—Sales of Material	33,097.28
	<hr/>
	\$7,241,874.56

STATEMENT NO. 6.

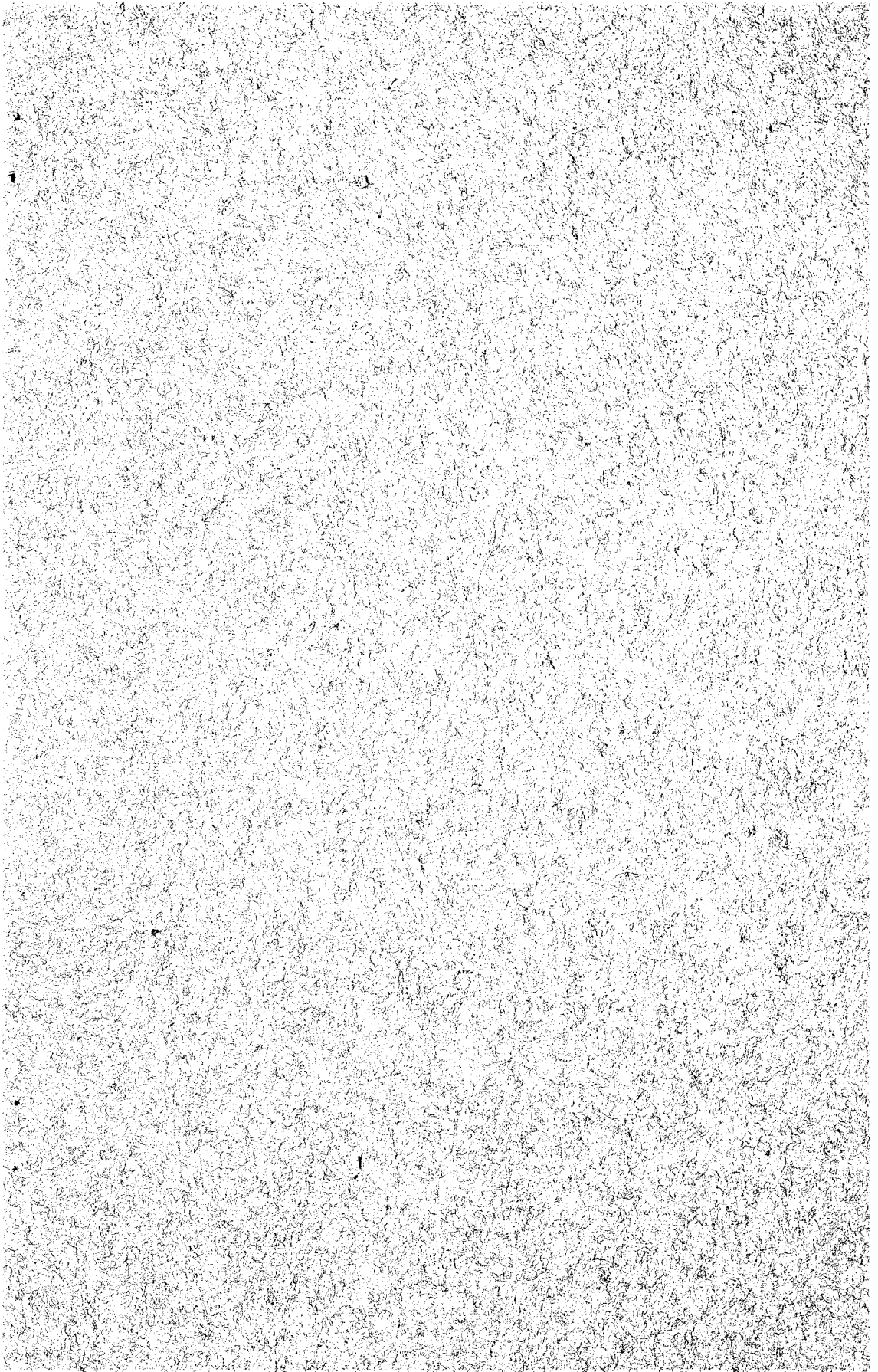
ASSETS AS AT DECEMBER 31st, 1916.

Public Buildings	\$7,241,874.56
Bridges	1,998,034.65
Trunk Roads and Bridges thereon	2,860,177.55
Demonstration Farms	316,492.49
Telephone Plant, Stock, Tools, etc.	9,134,404.16
Surveys	687,364.59
Drainage	10,866.29
Inspection of Public Works, including Coal Mines and Rescue Apparatus	89,424.87
Ferries	38,044.85
Seed Grain Mortgages and Loans to Creameries	61,201.27
Loans to Alberta Farmers' Co.-Op. Elevator Co.	721,404.17
Advances to School Districts	43,314.34
Re Advance to Central Canada Railway Co., amount due....	2,000,000.00
Advance re Vendors of Liquor Stores.....	12,000.00
Taxes on Forfeited Lands	18,763.05
Miscellaneous	2,579.97
Cash in Banks	678,596.08
Stock Accounts, etc., re Government Printer's Advance, School Libraries Advance, etc.	40,226.24
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	\$25,954,769.13
Deposit (in lieu of debt) in hands of Dominion Government...	8,107,500.00
Deposit (School Lands Fund)	2,630,779.53
Deferred and Overdue Payments on principal on School Lands	4,749,819.55
Arrears of Interest on above.....	783,041.93
Unsold lands, 7,170,669.93 acres at average price paid at pre- vious sales, viz., \$11.777 per acre	84,448,979.76
	<hr/>
	\$126,674,889.90

STATEMENT NO. 7.
STATEMENT OF LIABILITIES AND ASSETS AS AT DECEMBER 31st, 1916.

LIABILITIES.		ASSETS:	
Public Debt:		Dominion Government:	
4% Debentures Chap. 14, 1908	\$2,000,200.00	Debt Allowance	\$8,107,500.00
4% Debentures (Convertible) Chapter 21, 1911	4,804,373.33	School Lands Trust Fund:	
4% Registered Stock (Converted) Chapter 21, 1911-1912	62,293.33	Principal Moneys in trust	\$2,630,779.53
4½% Registered Stock, Chap. 21/13 ..	4,866,666.66	Principal Moneys outstanding	4,749,819.55
4½% Debentures, Chap. 21, 1913	133,333.34	Arrears of Interest	7,380,599.08
4½% Debentures, Chap. 20, 1913 (2nd Session)	3,600,000.00	Unsold Lands at average price of previous sales, 7,170,669.93 acres @ \$11.777 per acre	783,041.93
4½% Gold Debentures, Chap. 12, 1910 (2nd Session)	7,400,000.00	Public Buildings, Bridges, Trunk Roads, etc.	84,448,979.76
5% Gold Debentures, Chap. 25, 1914 (as amended)	4,000,000.00	Loans to Alberta Farmers' Co-op. Elevator Co.	13,242,279.85
5% Gold Debentures, Chap. 2, 1916	2,000,000.00	Re Advance to Central Canada Railway Co.	721,404.17
		Seed Grain and Creamery Loans	2,000,000.00
		Advances to School Districts	61,201.27
		Telephone Plant, Stock and Tools	43,314.34
		Cash in Banks	9,134,404.16
		Stock—King's Printer, School Library Advance Account, etc.	678,596.08
Less—Sinking Funds	\$29,000,200.00	Miscellaneous	40,226.24
	368,190.72		33,343.02
Municipal Sinking Funds	\$28,632,009.28		
Balance—Surplus	11,702.70		
	98,031,177.92		
			\$126,674,889.90

March 5th, 1917.



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